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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

4 June 1959

MEMORANDUM FOR: THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT : O/NE Comment on State Deptel to Geneva re Berlin
and Laos (TOSEC 62 of 30 May 1959)

1. We do not share State's view that the Bloc intends to create a diversionary crisis in Laos. The State thesis assumes a Sino-Soviet identity of action which may not in fact exist. Moreover, developments to date in Laos are largely explainable in terms of local circumstance. Any Communist action in Laos great enough to "distract attention away from Berlin" would involve major military action which, in view of the Bloc's poor case thus far in Laos, would undercut Soviet efforts to court the British and the Indians. Lastly, if the Bloc wants to put heat on the West, there are lots of means that are better than Laos: Iraq, Iran, rocket notes, pressures in Germany.

2. It is quite possible, nevertheless, that the USSR or Communist China may seek to exploit subsequent developments in Laos in order to put more pressure on the West to agree to Summit talks. Their ability to exploit the situation will be enhanced if the PLG meanwhile takes extreme measures against the NLHX or the PL. But even

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in this event, we believe that the Communists would stop short of overt military aggression in Laos, and would instead seek to use the "crisis" as an avenue for convening the ICC, the Geneva co-chairmen, or a high-level conference of some sort. In this latter regard, it is possible that the Chinese Communists might be especially eager to exploit the situation, in the hope of insinuating themselves into great power negotiations.

FOR THE BOARD OF NATIONAL ESTIMATES

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